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Ambulatory Surgical Center (ASC) Claims Processing Manual Clarification

Note: This article was revised on June 12, 2006, to reflect changes made to CR5026 on June 9, 2006. The article was revised to reflect a new CR release date, Transmittal number and Web address for CR5026. All other information remains the same.

Provider Types Affected

Providers and suppliers of ambulatory surgical center (ASC) services

Provider Action Needed

This article is for informational purposes. CR5026 revises the *Medicare Claims Processing Manual*, Chapter 14 (Ambulatory Surgical Centers), Sections 10.3 (Services Furnished in ASCs Which Are Not ASC Facility Services) and 10.4 (Coverage of Services in ASCs Which Are Not ASC Facility Services) to clarify policy regarding the provision, coverage, and payment of services furnished in an ASC.

Background

Medicare conventionally reimburses ASCs in the form of a single payment that includes all "facility services" that the ASC furnishes in connection with a covered procedure. However, an ASC (perhaps as part of a medical complex that may include other entities, such as an independent laboratory, supplier of durable medical equipment, or a physician's office) may also furnish a number of covered items and services that are not considered facility services.

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Be aware that such entities, which are separate from the ASC, are covered separately under Part B. Further, in general, the items or services that these entities provide are not considered ASC services, and are therefore not included in the ASC payment, but are rather covered and paid for under the applicable Part B provisions.

Examples of such services include:

- Physicians' services;
- Durable medical equipment (DME);
- Implantable DME;
- Prosthetic devices;
- Ambulance services;
- Leg, arm, back and neck braces;
- Artificial legs, arms and eyes; and
- Services of an independent laboratory.

More details about each of these services are shown in Table 1, below.

Table 1 - Examples of Services Not Included in the ASC Facility Rate

| Items or Services | Who Receives Payment | Submit Bills To |
|---|---|-----------------|
| Physicians' services Physicians who perform covered services in ASCs receive separate payment under Part B. Such services include: - Anesthesiologists administering or supervising the administration of anesthesia to ASC patients and the patients' recovery from the anesthesia; - Routine pre- or post- operative services, such as office visits, consultations, diagnostic tests, suture removal, dressing changes, and other services which are usually included in the physician fee for a given surgical procedure. | Physician | Carrier |
| Non-implantable durable medical equipment (DME) to ASC patients for in-home use ASCs who sell, lease, or rent items of DME to patients, are treated as DME suppliers. All of the ordinary DME-applicable rules and conditions apply to the ASC, including obtaining a supplier number and billing the DMERC as required. | Supplier An ASC can be a supplier of DME if it has a DME supplier number from the National Supplier Clearinghouse. | DMERC |
| Implantable DME and accessories ASCs who furnish implantable DME items to patients, bill the local carrier for the surgical procedure and the implantable device. | ASC | Carrier |

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| Items or Services | Who Receives Payment | Submit Bills To |
|--|---|-----------------|
| Non-implantable prosthetic devices ASCs who furnish non-implantable prosthetic devices to patients are treated as suppliers, and all the ordinary DME-applicable rules and conditions apply to the ASC, including obtaining a supplier number and billing the DMERC as required. | Supplier An ASC can be a supplier of non-implantable prosthetics if it has a supplier number from the National Supplier Clearinghouse. | DMERC |
| Implantable prosthetic devices except intraocular lenses (IOLs and NTIOLs [new technology intraocular lenses]), and accessories ASCs may bill and receive separate payment for prosthetic devices (other than intraocular lenses [IOLs]) that are implanted, inserted, or otherwise applied by surgical procedures on the ASC list of approved procedures. The ASC bills the local Carrier and receives payment according to the DMEPOS fee schedule. An intraocular lens (IOL) inserted during or subsequent to cataract surgery in an ASC is included in the facility payment rate. ASCs may receive additional payment for approved NTIOLs that are furnished in an ASC during or subsequent to certain cataract procedures. | ASC | Carrier |
| Ambulance services ASCs who furnish ambulance services, may obtain approval as ambulance suppliers to bill covered ambulance services. | Certified ambulance supplier | Carrier |
| Leg, arm, back, and neck braces These items of equipment are not included in the ASC facility payment amount, but are covered under Part B. ASCs who furnish these items to patients are treated as suppliers, and all the rules and conditions ordinarily applicable to suppliers apply to the ASC, including obtaining a supplier number and billing the DMERC as required. | Supplier | DMERC |
| Artificial legs, arms, and eyes These items of equipment are not included in the ASC facility payment rate, but are covered under Part B. ASCs who furnish these items to patients are treated as suppliers, and all the rules and conditions ordinarily applicable to suppliers apply to the ASC, including obtaining a supplier number and billing the DMERC as required. | Supplier | DMERC |
| Services furnished by an independent laboratory Only very limited numbers and types of diagnostic tests are considered ASC facility services and these are included in the ASC facility payment rate. Since coverage of diagnostic lab tests in facilities other than physicians' offices, rural health clinics or hospitals is limited to facilities that meet the statutory definition of an independent laboratory, in most cases diagnostic tests performed directly by an ASC are not considered ASC facility services (in fact are usually not covered under Medicare). ASC laboratories must be CLIA certified and will need to enroll | Certified lab. ASCs can receive lab certification and a CLIA number. | Carrier |

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| Items or Services | Who Receives Payment | Submit Bills To |
|--|----------------------|-----------------|
| with the carrier as a laboratory. Otherwise, the ASC makes arrangements with a covered laboratory or laboratories for laboratory services. If the ASC has a certified independent laboratory, the laboratory itself bills the carrier. | | |
| Procedures NOT on the ASC list Physicians bill the carrier for the procedures and any implantable prosthetics/DME, using the ASC as the place of service | Physician | Carrier |

Additional Information

You can find more information about services not included in the ASC facility rate (and the coverage of such services) by reviewing CR5026, which is available at <http://www.cms.hhs.gov/Transmittals/downloads/R975CP.pdf> on the CMS web site.

The revised *Medicare Claims Processing Manual*, Chapter 14 (Ambulatory Surgical Centers), Sections 10.3 (Services Furnished in ASCs Which Are Not ASC Facility Services) and 10.4 (Coverage of Services in ASCs Which Are Not ASC Facility Services) are attached to CR5026.

If you have any questions, please contact your carrier at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.pdf> on the CMS web site.

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